REMARKS

Claims 146, 148, 169, 172, 175, 178, 181-183, and 186-188 have been amended by this Amendment. These amendments do not narrow the scope of the claims. Claims 190-205 have been added by this Amendment. Therefore, claims 7-10, 12-17, 19-26, 28-29, 78, 81-85, 87-89, 146-148, 150-151, 153-154, 156-157, 159, 161-163, 165-167, and 169-205 are presently pending.

1. INTERVIEW SUMMARY

The Applicant thanks the Examiner and the Supervisor Examiner for the interview conducted on September, 11 2007. The extensive and exhaustive prosecution history of the present application which includes ten office actions was discussed. Then the currency office action was discussed and it was agreed that McInerny, Crane, Winkler, Fatula, and Green fail to teach a plurality of "closely spaced" magnetic sensors. Additionally, Dr. Jeffers discussed these references and how they references would not lead those skilled in the art at the relevant time to the claimed subject matter.

2. 35 U.S.C. § 103 REJECTION OVER MCINERNY IN VIEW OF CRANE, FATULA, AND GREEN

Claims 7-12, 14-29, 78-89, and 146-168 were rejected under 35 U.S.C. § 103(a) as being unpatentable over McInerny (U.S. Pat. No. 5,761,089) in view of Crane et al (U.S. Pat. No. 5,151,607) and further in view of Fatula, Jr. et al (U.S. Pat. No. 6,118,623) and still further in view of Green et al (U.S. Pat, No. 6,353,317 B1).

As agreed during the interview on September 11, 2007, the combination of McInerny, Crane, Fatula, and Green fail to teach or suggest each and every element of pending claims 7-29, 78-89, 146-168, and 169-190. Claims 7-10, 12-17, 19-26, 28-29, 78, 81-85, 87-89, 146-148, 150, 151, 153, 154, 156, 157, 159, 161-163, 165-167, and 181-189 recite, *inter alia*, using a plurality of "closely spaced" magnetic sensors for processing currency. Claims 169-171 and 175-180 recite, *inter alia,* "the spacing between adjacent magnetic sensors being less than about one millimeter." Claims 172-174 recite, *inter alia,* "the spacing between the at least two magnetic sensors being less than about one millimeter." Neither McInerny, Crane, Fatula, Green nor any combination thereof disclose these features. Thus, the combination of references

proposed by the Examiner does not teach or suggest all of the claims limitations of claims 7-10, 12-17, 19-26, 28-29, 78, 81-85, 87-89, 146-148, 150, 151, 153, 154, 156, 157, 159, 161-163, 165-167, and 169-205. Accordingly, a *prima facie* case of obviousness has not been established. Furthermore, there is no evidence that one skilled in the art at the relevant time would have been lead to combine these references in a manner so as to arrive at the claimed inventions. Thus, claims 7-10, 12-17, 19-26, 28-29, 78, 81-85, 87-89, 146-148, 150, 151, 153, 154, 156, 157, 159, 161-163, 165-167, and 169-205 are believed to be in condition for allowance.

3. 35 U.S.C. § 103 REJECTION OVER MCINERNY IN VIEW OF CRANE, FATULA, GREEN, AND WINKLER

Claims 13, 20, 29, and 89 were rejected under 35 U.S.C. § 103(a) as being unpatentable over McInerny (U.S. Pat. No. 5,761,089) in view of Crane et al (U.S. Pat. No. 5,151,607) and further in view of Fatula, Jr. et al (U.S. Pat. No. 6,118,623), further in view of Green et al (U.S. Pat, No. 6,353,317 B1), and still further in view of Winkler (U.S. Pat. No. 5,394,992).

Applicants respectfully traverse this rejection. These claims are allowable for the reasons discussed above. Additionally, there is no teaching or suggestion that a device according to the proposed combination of five references would be able to operate at the speeds recited in claims 13, 20, 29, and 89. Nor is there any evidence that one skilled in the art at the relevant time would have been lead to combine these references in a manner so as to arrive at the claimed inventions. Accordingly, these claims are believed to be in condition for allowance.

It is the Applicants' belief that all of the claims are patentable and are in condition for allowance, and action towards that end is respectfully requested. If there are any matters which may be resolved or clarified through a telephone interview, the Examiner is requested to contact the undersigned attorney at the number indicated.

A charge to the below identified Deposit Account in the amount of $1,850.00 was authorized at the time this Amendment was electronically filed. It is believed that no further fees are due; however, should any additional fees be required (except for payment of the issue fee),

the Commissioner is authorized to deduct the fees from Nixon Peabody LLP Deposit Account No. 50-4181, Order No. 247171-000271USP1.

Respectfully submitted,

10/03/2007
Date

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